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Of Counsel

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Joseph S. Reeves III  
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RECEIVED  
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OFFICE OF THE  
EXECUTIVE SECRETARY

\*Also licensed in KY

June 3, 2002

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Application of Excel Telecommunications, Inc. for a Certificate of Public Convenience and Necessity as a Competing Telecommunications Service Provider; Docket No. 02-00382

Dear Mr. Waddell:

Attached hereto are the original and 13 copies of the data responses of Excel Telecommunications, Inc. to your letter of May 3, 2002.

1. Applicant's three year projected Balance Sheet and Statement of Cash Flows.

*See Attachment A, appended hereto, and marked  
"CONFIDENTIAL".*

2. Please provide the reason for the 12/31/01 Balance Sheet's negative account balances for Cash and Cash Equivalents, which reflects (\$X.XX); and Deferred Income Taxes Payable of (\$X.XX). Note: The current asset section already has an asset account called Deferred Income Tax Asset. If the Cash and Cash Equivalents and the Deferred Income Taxes Payable accounts have incorrect balances, then the corrected amounts could affect the Statement of Cash Flows when they are corrected, too.

David Waddell  
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*See Attachment B, appended hereto, and marked  
"CONFIDENTIAL".*

3. Tenn. Code Ann. § 65-4-125 amendment states that by September 1, 2000, all telecommunications services providers subject to the control and jurisdiction of the Authority, except those owners and operators of public telephone service who pay annual inspection fees pursuant to Tenn. Code Ann. § 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than \$5 million, shall file with the Authority a corporate surety bond or irrevocable letter of credit in the amount of \$20,000 to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. The Authority was provided with information that Excel's corporate surety bond from Safeco Insurance Company has been cancelled. Please provide the Authority an original corporate surety bond or irrevocable letter of credit.

*A replacement bond was sent to the Authority via overnight delivery on May 15, 2002. Attached herewith is a copy of that bond in Attachment C.*

Thank you for your assistance. If you have questions, please do not hesitate to contact me.

Sincerely,



H. LaDon Baltimore

LDB/dcg  
Attachments

**ATTACHMENT C**

**COPY OF CORPORATE  
SURETY BOND**

**TENNESSEE REGULATORY AUTHORITY****Sample #1****TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND**

bond #: KD 66 71 00 7

**WHEREAS, Excel Communications, Inc.**

has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and (the "Principal"),

**WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and****WHEREAS, Westchester Fire Insurance Company**

(the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

**NOW THEREFORE, BE IT KNOWN,** that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 1st day of May, 2002 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may be in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

**PRINCIPAL**Excel Communications, Inc.

Name of Company authorized by the TRA

116464

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL

Kerri W. McAllen

Name:

Title:

**SURETY**Westchester Fire Insurance Company

Name of Surety

500 Colonial Center Pkwy., Suite 200  
Roswell, GA 30076

Address of Surety

SIGNATURE OF SURETY AGENT

Brian V. Fitzsimmons

Name: Brian Fitzsimmons

Title: Attorney-in-Fact

Address of Surety Agent:

Marsh USA, Inc.1560 Sawgrass Corporate Pkwy., Suite 300  
Sunrise, FL 33323

**THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 536, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)**

**FILE COPY**

## ACKNOWLEDGMENT OF PRINCIPAL

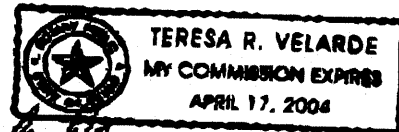
STATE OF ~~TENNESSEE~~ TEXAS  
 COUNTY OF DAVIES

Before me, a Notary Public of the State and County aforesaid, personally appeared KELIP MCALGER with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of ECSE COMMUNICATIONS INC. and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 14th day of MAY, 2002

My Commission Expires:

APRIL 17, 2004



*Teresa R. Velarde*  
 Notary Public

## ACKNOWLEDGMENT OF SURETY

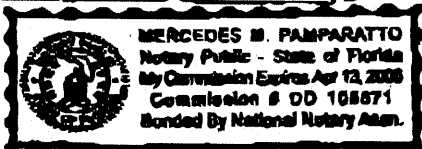
STATE OF ~~TENNESSEE~~ FLORIDA  
 COUNTY OF BROWARD

Before me, a Notary Public of the State and County aforesaid, personally appeared Brian Fitzsimmons with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Westchester Fire \* the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual. \* Insurance Company of America

WITNESS my hand and seal this 1st day of May, 2002.

My Commission Expires:

April 13th, 2006.



*Mercedes M. Pamparatto*  
 Notary Public - Mercedes M. Pamparatto

## APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, and that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Name:  
 Title:

**Power of Attorney****WESTCHESTER FIRE INSURANCE COMPANY**

958163



Know all men by these presents: That **WESTCHESTER FIRE INSURANCE COMPANY**, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on November 8, 1999, is

- RESOLVED**, that the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the future thereof:
- (1) That the President, any Senior Vice President, any Vice President, and Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the future thereof, the same to be signed when necessary by the Corporate Secretary, or any Assistant Corporate Secretary, and the seal of the Company affixed thereto; and that the officer to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereon.
  - (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested as by the Corporate Secretary.
  - (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile to any document of any such power, and any such power or document bearing such facsimile signature and seal shall be valid and binding on the Company.
  - (4) Corporate Officers of the Company, and Attorneys-in-Fact shall have authority in conformity with the Resolution, the By-Laws of the Company, and the authority or record of the Company necessary to the discharge of their duties.
  - (5) The power of this Resolution does not revoke any power previously granted by Resolution of the Board of Directors.

Does hereby nominate, constitute and appoint **LEANA PEREZ, JULIA A. RUSSELL and BRIAN FITZSIMMONS** all of the City of Sunrise, State of Florida, each individually if there be more than one named, as true and lawful attorneys-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding One Million Dollars (\$1,000,000) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said **John J. Lupica**, Vice President, has hereunto subscribed his name and affixed the corporate seal of the said **WESTCHESTER FIRE INSURANCE COMPANY** this 11th day of May, 2001.

**WESTCHESTER FIRE INSURANCE COMPANY**

John J. Lupica, Vice President

**COMMONWEALTH OF PENNSYLVANIA**  
**COUNTY OF PHILADELPHIA**

On this 11th day of May, A.D. 2001, before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came **John J. Lupica**, Vice President of the **WESTCHESTER FIRE INSURANCE COMPANY** to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company, that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



**NOTARIAL SEAL**  
Kathleen Turi, Notary Public  
Philadelphia City, Philadelphia County  
My commission expires Sept. 22, 2003

Kathleen Turi  
Notary Public

I, the undersigned Secretary of **WESTCHESTER FIRE INSURANCE COMPANY**, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 11 day of May, 2002.



**George D. Mulligan**  
George D. Mulligan, Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER May 11, 2003.

Not Valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate of residual value guarantee